

G-008/M-89-188 APPROVING BUDGET INCREASES AND NEW PROJECT, AND
ACCEPTING STATUS REPORTS AND COMPLIANCE FILING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Request by Minnegasco,
Inc. for Changes in its 1989-1990 CIP
Program

ISSUE DATE: February 20, 1990

DOCKET NO. G-008/M-89-188

ORDER APPROVING BUDGET
INCREASES AND NEW PROJECT, AND
ACCEPTING STATUS REPORTS AND
COMPLIANCE FILING

PROCEDURAL HISTORY

On July 28, 1989, the Commission issued its ORDER ESTABLISHING 1989-1990 CONSERVATION IMPROVEMENT PROGRAM in the above-captioned matter. That Order approved the proposal of Minnegasco, Inc. (Minnegasco or the Company) for a CIP program consisting of nine projects with a total budget of \$1,534,750. In its July 28 Order the Commission required Minnegasco to submit a new project filing if any part of the proposed project could not be implemented. The Commission further required the Company to file status reports on all approved projects on or before January 1, 1990.

On November 16, 1989, the Commission issued its ORDER APPROVING INCLUSION OF RCS AUDIT EXPENSES IN TRACKER ACCOUNT AND REQUIRING REPORT ON POTENTIAL CIP PROJECT, Docket Nos. G-008/CI-88-460, G-008/M-89-188. That Order required the Company to file a report detailing the results of its consideration of a service area-wide Residential Conservation Service (RCS) audit project as part of its Conservation Improvement Program.

On January 2, 1990, Minnegasco submitted its compliance filing addressing the aforementioned issues raised by the Commission.

On January 17, 1990, the Department of Public Service (the Department) filed comments on the Company's compliance filing.

No other party commented on the Company's filing.

The matter came before the Commission on January 30, 1990.

FINDINGS AND CONCLUSIONS

PROPOSED CHANGES IN THE COMPANY'S CIP PROGRAM

Commercial New Construction Rebate (Commercial Rebate) Project

The Company states that, due to factors beyond its control, it will be unable to expend its total approved budget of \$225,000 for this CIP project in 1989-1990. Although the Company has sent out 700 informational brochures and is coordinating efforts among city officials, architects, engineers and contractors, progress has been slow.

In response to the July 28 Order requiring a new filing if part of an approved project cannot be implemented, the Company now proposes to increase its budget for three other existing projects as follows:

Project AIR	
City of New Hope	\$15,400
Evaluation	5,000
Home Energy Check-up Project	
City of Cokato	18,000
City of Bloomington	18,000
Stearns County	12,000
Operation Insulation Project	<u>23,000</u>
TOTAL	\$91,400

Although the Company was unable to expend its approved budget for the Commercial Rebate project in 1989-1990, the Department indicated that the initial approved budget of \$225,000 for this project might be appropriate for future CIP years.

The Department recommended acceptance of the proposed changes in the existing projects for this CIP year.

Proposed New Service

Minnegasco proposes to implement an Energy Information telephone service in the Company's 1989-1990 CIP. Under this project the Company would hire an energy information analyst to answer consumer questions regarding energy conservation, weatherization, efficient use of appliances, residential energy audits, and like matters. The energy information analyst would also serve as a back-up for the Company's CIP Administrator. Minnegasco estimates a maximum 1989-

1990 cost of \$46,380 for this service. The Company proposes that this cost be included in the Company's overall CIP administrative costs.

The Department recommended that the Commission approve the proposed Energy Information telephone service, but advised that the proposed budget should be submitted as a separate project in the Company's CIP.

The Commission finds that the Energy Information service has the potential to focus consumers on the various possible benefits of Minnegasco's CIP program. The service should prove of value to the consumer and a logical adjunct to the Company's other conservation measures. The Commission will approve the proposed new service.

The Commission will defer consideration of including the Energy Information service in the Company's overall administrative expenses or budgeting the service as a separate new CIP project.

STATUS REPORTS AND EVALUATIONS

As required by the Commission's July 28 Order, Minnegasco submitted status reports for each of the Company's approved CIP projects. The Company's January 2 filing also included project evaluations conducted by Minnegasco and the City of Minneapolis under the Research and Testing CIP Project. The Company also provided an updated list of all Research and Testing reports through the Minneapolis Energy Office.

The Commission agrees with the Department's recommendation that the Company's status reports and evaluations be accepted. Minnegasco has expended commendable effort in supplying useful and reliable information pursuant to the Commission's Order. The filings indicate that the Company's projects are being implemented in a timely and efficient manner.

RESIDENTIAL CONSERVATION SERVICE AUDIT

In its November 16, 1989 Order, the Commission ordered Minnegasco to file the results of the Company's consideration of a service-wide residential conservation service audit as part of its CIP. In the Company's January 2 filing, Minnegasco reasoned that due to the limited number of anticipated audits (100 to 200 per year), the insignificant impact of the RCS audits on the overall conservation effort, and the fact that Minnegasco will continue to report RCS revenues, expenses and audits completed in its CIP reports, filing RCS as a separate CIP project is not necessary.

The Department recommended that the Commission approve Minnegasco's overall RCS compliance filing. The Department further recommended that the Company should be required to submit, with its upcoming biennial CIP filing, any applicable information available to meet the requirements of the CIP procedural rules, Minnesota Rules, part 7840.0500, subparts A-L.

The Commission agrees with the Department that the Company's overall RCS compliance filing is adequate, and will accept the filing. The Commission will defer consideration of further filings to be required of the Company in connection with the service.

THE DEPARTMENT'S NEW CIP RULES

The Commission recognizes that the Department will assume the task of monitoring and administering CIP programs when its current CIP rulemaking proceeding is concluded. The Commission therefore feels that special weight should be given to the Department's recommendations in CIP matters. Because of these facts, the Commission believes that it is appropriate to defer certain procedural questions until the Company can discuss the issues with the Department and submit its first biennial filing under the Department's forthcoming CIP rules.

ORDER

1. The Commission approves the following increases to individual projects under Minnegasco's 1989-1990 CIP budget, to reflect increases in services:

Project Air	\$20,400
Home Energy Check-up Project	48,000
Operation Insulation	<u>23,000</u>
TOTAL	\$91,400

2. Minnegasco's proposed Energy Information Line is approved. The Company shall discuss with the Department the issue of including the Energy Information Line in the Company's CIP program. This issue, and the proposed budget for the project if it is to be included in the Company's CIP program, shall be addressed in the Company's first biennial filing under the Department's forthcoming CIP rules.
3. Minnegasco's status reports on current CIP projects and project evaluations from the Research and Testing CIP Project are hereby approved.
4. Minnegasco's compliance filing regarding the Residential Conservation Service audits is hereby approved. The Company shall discuss with the Department the issue of informational filings to be included in the Company's first biennial filing under the Department's forthcoming CIP rules.

5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

(S E A L)